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January 18, 2002 LB 417, 446

SENATOR CUDABACK: LB 446 advances to E & R Initial. Mr. Clerk, next agenda item.

CLERK: Mr. President, the next item is LB 417. It's a bill by Senator...actually, it's signed by the Business and Labor Committee, chaired by Senator Connealy. (Read title.) Bill was introduced on January 9 of last year, at that time referred to Business and Labor Committee for hearing, advanced to General File. I do have committee amendments, Mr. President. (AM0267, Legislative Journal page 572, First Session, 2001.)

SENATOR CUDABACK: Senator Connealy, as Chairman of the Business and Labor Committee, you're recognized to open.

SENATOR CONNEALY: Thank you, Mr. President. This bill was brought to the committee by the Workers' Compensation Court and it really has two purposes. First, the bill proposes that an executive officer of a corporation who owns 25 percent or more of common stock of the corporation not...and is not considered an employee unless that officer elects to opt in as an employee as it concerns the workers' compensation system. Currently, these executive officers are considered employees for workers' compensation purposes, but have the option to opt out of the system. The Workers' Compensation Court has represented that this...there is a problem with the consistency between certain types of business officers on whether they're considered employees or not. For limited liability companies, sole proprietorships, and nonprofit corporation officers, the officers have the choice of whether to opt in or...the compensation...the workers' compensation system or not. For-profit corporation officers, however, are considered employees, but they have the option to waive their participation. The lack of consistency between business officers is inefficient for the court because of the amount of paperwork required to process waivers. Also, the database that the court has to keep waivers is outdated and there's a need to update it, but there's no authority to do that. Second, the bill proposes that when Workers' Compensation Court approves a lump sum settlements it be allowed to leave the medical part of the settlement open to provide for payment in future of medical